

ATTACHMENT #7 TECHNICAL GUIDELINES

1. Supplemental appropriations

Supplemental requests for general revenue should be limited to those programs and services with a change in circumstance. Without a compelling change in circumstance, no supplemental funding should be expected. Reserves should be released and an offset provided before supplemental appropriations are funded. If a supplemental is necessary, agencies must enter the request into the SAM II budget preparation system.

2. Reappropriations

Again in Fiscal Year 2006, there will not be operating reappropriations. If you have an item that in the past would have been reappropriated, please contact your budget analyst to determine how to incorporate this request into your operating budget. Budget and Planning and Design and Construction will provide instructions at a later day regarding any capital improvement reappropriations.

3. SAM II Coding Information

- a. Chart of Accounts - The organization and appropriation structures are established through the Chart of Accounts being used in SAM II. Changes in the organization or appropriation structures will directly affect how the purchasing and accounting functions will operate during the fiscal year. Agencies should seriously consider the impact of any proposed organization or appropriation structure changes. Any changes in organization or appropriation structures should be discussed with your assigned budget analyst. The Division of Budget and Planning will discuss any proposed changes to the organization or appropriation structures with the other Office of Administration divisions in advance of approval.
- b. Appropriation numbers - During budget preparation, agencies must assign appropriation numbers to decision items. For new decision items in the operating, leasing, and supplemental budgets, agencies will assign the appropriation number used for core if the item will become part of the core's line item amount. If the decision item needs to be line-itemed separately, the agency should contact Jean Kurtz (751-9308) to have a new appropriation number assigned. These appropriation numbers will directly affect the information and budget control in the SAM II system. Agencies should seriously consider the impact of assigning appropriation numbers in the budget system. Separate appropriation numbers will continue to be assigned to personal service appropriations and to expense and equipment appropriations. Agencies may request flexibility in the House Bill language by submitting a flexibility request form. However, separate appropriations need to be maintained in case the flexibility is not approved. If the flexibility is approved, agencies may transfer appropriation authority between the appropriations upon approval by Budget and Planning. Agencies should not reallocate their core request into one appropriation.
- c. Budget Year Planned Expenditure – Budget Year requests should reflect an agency's planned expenditures. It is essential that you allocate the core budget amounts into the budget object classes for your proposed spending plan. Changes in current year amounts will not be made unless an error occurred. If a change is necessary to the current year amounts, the agency should contact Jean Kurtz (751-9308) to request that the change be made.
- d. Decision Item Narrative - Departments should add a description of each new decision item to the textbox of the decision item information table. This description will be printed in multiple reports that are used by the Governor's office, Budget and Planning, and the General Assembly. The description should be a concise explanation of the new decision item.

- e. One-Times - Departments will enter all one-time amounts in two columns on the new decision item budget form. One-times are first entered as a positive number in the "Amount" column along with any ongoing expenditures in that budget object class. They are then entered as a negative number in the "1X Amount" column. This also holds true for one-time FTE. If the department is requesting one-time FTE, they should be entered as a positive number in the "FTE" column and a negative number in the "1X FTE" column.
- f. PS/E&E/PSD – The budget object classes requested for an appropriation establish the SAM II budget controls. Agencies should request the applicable budget object classes for each appropriation. Requests to add budget object classes once the budget has been approved should be minimal.

4. Core Budget Request

Core requests will equal appropriations less vetoes less one-time expenditures less department requested core reductions or reallocations plus net core transfers. Results of the core budget review and decisions will be included in the Governor's recommendations. All core budget requests will be ranked 1. **Ranking of new decision items other than the statewide pay plan should begin at 5.**

Statewide Core Decision Items

For statewide reporting purposes, all agencies will use the following decision items to reflect changes to their core request.

0000002 Transfers In	Used for amounts transferred in <u>from another department</u> .
0000003 One-time Reduction	Used for the reduction of one-time amounts.
0000004 Transfers Out	Used for amounts transferred out <u>to another department</u> .
0000005 Core Reductions	Used for reductions to the core amount other than reductions for one-time amounts.
0000006 Core Reallocations	Used for moving amounts within the department whether it is within a single budgeting unit or across multiple budgeting units. These should net to zero within the department.

A core request may have multiple core changes for the same decision item code. A separate BRASS budget form must be used for each core change that is requested. For example, two budget forms will be used if funding is being reallocated from two different cores into another core. Using multiple budget forms provides the information necessary for decision makers to review the various core changes. If you are unsure how to enter core changes, please contact your assigned budget analyst.

5. Overtime Pay

HB 1548 (2004) will require that nonexempt state employees pursuant to the Fair Labor Standards Act be paid for overtime. Beginning January 1, 2006, and annually thereafter, each agency must pay all nonexempt state employees in full for any overtime hours accrued during the previous calendar year not yet paid or used in the form of compensatory time. Nonexempt state employees may retain up to 80 hours of compensatory time. A separate line item appropriation is required for overtime payments.

To implement this legislation, a separate House Bill section will be created for these appropriations. Some agencies may have a need for more than one House Bill section for overtime pay. Please contact Jean Kurtz (751-9308) for any setup questions. Agencies should reallocate any available overtime monies from other areas of their budget into the line item appropriation for overtime. A statewide decision item number (0000020) should be used for any additional requests for overtime

pay. Do not request FTE for overtime pay. Budget and Planning will work with House and Senate staff to exclude the language limiting FTE in any House Bill section that includes overtime pay. Agencies may use the generic job class called "Other" (999999) for budgeting overtime pay.

6. Cost Allocation

The budget will continue to allocate costs for central administrative costs, workers' compensation claims, state office buildings, and lease management to the appropriate fund source. The same methods of transfer reimbursement will be employed as in the past.

7. Operating Maintenance and Repair

Funds for this expense were appropriated separately for the first time in Fiscal Year 1994. The core decision item narrative should include information about how the funds have been used and the success of the program.

8. Estimated appropriations

Over the past several years the number of estimated ("E") appropriations approved by the General Assembly has been declining. Agencies are encouraged to make their best estimate of expenditures for each estimated appropriation and include budget requests for any increases, if necessary. Agencies should keep Budget and Planning and legislative staff up-to-date on these cost projections throughout the process. Agencies are also encouraged to provide a strong rationale for maintaining any estimated appropriation.

9. One-Time Appropriation Requests

Agencies must identify the ongoing and one-time costs of any proposed expenditure requests. For example, ongoing maintenance costs for proposed equipment purchases must be included to ensure appropriate evaluation of the cost effectiveness and rationale for the request.

10. Form 9

Sections 33.240 and 33.250 RSMo require that revenue and expenditures for each fund for each year be detailed. The Form 9 is currently being revised by a Missouri Results Initiative (MRI) team. We expect to have the new form and instructions available in the next few weeks. The new form should be used for the October 1st submission. These forms should be submitted separately from your budget submission.

11. Budget Submission

All budgets should be printed in 8 1/2 x 11 format. Both sides of the paper should be used to decrease the use of paper. For the October 1st submission, departments are encouraged not to spend money on nice covers, dividers, binders, binding, etc. A stapled or clipped copy of the forms is fine for the initial draft submission.

Departments are to prepare two different budget books, a summary document for legislators and a more detailed document for budget analysts. Below is the order the information should appear in each book. For each budgeting unit, repeat numbers 4 through 7 as applicable. Cross agency form that include requests for multiple budgeting units should be grouped together.

Summary Budget Book

1. Department Overview Paragraph
2. State Auditor's Reports, Oversight Evaluations, or MO Sunset Act Reports Form
3. Executive Budget Summary (BRASS Report 1a)
4. Core Decision Item Form (including appropriate page from BRASS Report 17a)
5. Flexibility Request Form (if applicable)
6. Program Description Form(s)
7. New Decision Item Form

Detail Budget Book

1. Department Overview Paragraph
2. State Auditor's Reports, Oversight Evaluations, or MO Sunset Act Reports Form
3. Executive Budget Summary (BRASS Report 1a)
4. Core Decision Item Form (including appropriate page from BRASS Report 17a)
5. Flexibility Request Form (if applicable)
6. Program Description Form(s)
7. New Decision Item Form
8. Decision Item Detail Report (BRASS Report 10)

Other Submissions

1. Department Core Reconciliation
2. Form 9s
3. Form 14s

For the October 1st submission, departments should provide the following number of copies:

- 3 copies of the Summary Budget Book and 2 copies each of the Detail Budget Book and the Other Submissions to House Appropriations
- 5 copies each of the Detail Budget Book and the Other Submissions to Senate Appropriations
- 1 copy each of the Detail Budget Book and the Other Submissions to Legislative Oversight
- 3 copies each of the Detail Budget Book and the Other Submissions to Budget and Planning
- 1 copy of the Coding Detail Report (BRASS Report 11) to each of the above offices

We will notify you regarding the number of copies that need to be submitted with the Governor's Recommendations.

12. New BRASS Reports

Core Reconciliation

New BRASS reports have been created to assist departments in their core reconciliation. Report 14a Core Rec-Dept \$ (1YR) reconciles core beginning with current year budgeted dollar amounts and adds or subtracts core dollar changes. Report 14b Core Rec Dept \$ (2YR) is the same as Report 14a but should be used to reconcile a biennial budget such as leasing. Report 14c Core Rec-Dept FTE (1YR) reconciles core beginning with current year budgeted FTE amounts and adds or subtracts core FTE changes. When running any of these reports, the user selects the fund to be used on the report. The user may select a specific fund number or select FED for all federal funds, OTHER for all other funds, or STATE for all funds. Selecting GR or 0101 will give you the same results. The user may run the report at the department level which results in the items being displayed by budgeting unit or at the budgeting unit level which results in the items being displayed by appropriation.

Core Decision Item Form

Three new BRASS reports have been created to help departments with the completion of the Core Decision Item Form.

1. Report 15a – Core Summary (1YR)

(note: use report 15b – Core Summary (2YR) for leasing)

- To assist in completing Question 1 (Core Financial Summary) of the Core Decision Item form. Numbers will need to be entered into the Excel document.
- When running this report, select your agency. The number used in the Approp box will be your three digit agency number followed by two 0's and a C. The number used in the AgOrg

box will be your three digit agency number followed by four 0's and a C. Any deviation from using the above selections could result in inaccurate data being displayed on the report.

2. Report 16 – Core Financial Summary

- To assist in completing Question 4 (Financial History) of the Core Decision Item form.
- Numbers will need to be entered into the Excel document.
- Agencies will need to adjust the appropriation amount and unexpended by fund amounts in the actual columns for any increases in estimated appropriation. BRASS appropriation amounts are the final amounts approved in the regular and supplemental bills only. *Hint: if the unexpended amount is negative on the BRASS report it is likely that an estimated appropriation was increased.*
- Agencies may need to adjust the unexpended amounts due to rounding. Actual expenditures in the financial system are recorded in dollars and cents. When actual expenditures are loaded into BRASS the data is rounded to the nearest dollar by budget object class and job class. This could result in the unexpended amount for a fund to be a dollar or so negative.
- When running this report, select your agency. The number used in the Approp box will be your three digit agency number followed by two 0's and a C. The number used in the AgOrg box will be your three digit agency number followed by four 0's and a C. Any deviation from using the above selections could result in inaccurate data being displayed on the report.

3. Report 17a – Core Changes (1YR)

(note: use report 17b – Core Changes (2YR) for leasing)

- Use for Question 5 (Core Reconciliation).
- Numbers **do not** need to be entered into the Excel document. Use this report instead of completing Question 5, which has been removed from the Excel template. Place the applicable page after Question 4 of the Excel document for each core decision item.
- The Explanation field is limited to 5 lines of text. Agencies will need to be concise when explaining the change. Instructions will be sent to agencies on how to enter the explanation into BRASS when the FY 2006 database is rolled out in late July.
- Reallocations of job classes within the same personal service appropriation will not appear on the report even though it was entered into BRASS since the net result for the budgeting unit is \$0. The same is true for reallocations of expense and equipment budget object classes within the same expense and equipment appropriation. Any reallocations between personal service and expense and equipment appropriations or other reallocations between appropriations within a budgeting unit will appear on the report even if the net result for the budget unit is \$0 since the amount for the appropriation has changed.
- As stated in the budget instructions, a core request may have multiple core changes for the same decision item code. A separate BRASS form must be used for each core change that is requested. For example, two budget forms will be used if funding is being reallocated from two different cores into another core.
- It may take 15 minutes or so for this report to run due to complexity and amount of data being pulled into the report.
- When running this report, select your agency. The number used in the Approp box will be your three digit agency number followed by two 0's and a C. The number used in the AgOrg

box will be your three digit agency number followed by four 0's and a C. Any deviation from using the above selections could result in inaccurate data being displayed on the report.